

Message Text

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17

ACTION ARA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FEA-01 /090 W

----- 057989

R 122000Z FEB 76

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 200

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E.O. 11652: N/A

TAGS: ENRG, JM

SUBJECT: LUANA PETROLEUM REFINERY

1. ESSO GENERAL MANAGER TOM POINDEXTER TOLD AMBASSADOR FEBRUARY 9 THAT THERE WAS NO AGREEMENT ON ESSO'S PART TO PARTICIPATE IN NEW REFINERY. HE SAID ALL INFORMATION ON THE PROPOSAL HAD BEEN SUBMITTED TO PARENT COMPANY BUT AS YET NO DECISION HAD BEEN MADE. POINDEXTER SAID GOJ'S ORIGINAL ESTIMATE OF PLANT'S COST WAS 120 MILLION DOLLARS WHICH HAD SINCE BEEN UPPED TO 170 MILLION. HOWEVER, IN POINDEXTER'S VIEW PLANT WILL COST CLOSER TO 200 MILLION.

2. POINDEXTER SAID GOJ BADLY NEEDED ESSO PARTICIPATION IN ORDER TO OBTAIN FINANCING WHICH IS STILL IN DOUBT. IF ESSO'S DECISION IS NOT TO PARTICIPATE, HE ANTICIPATES INCREASED PRESSURE FROM GOJ TO BUY OUT LOCAL OPERATION. GOJ ORIGINALLY OFFERED \$8 MILLION THEN TENTATIVELY RAISED OFFER TO \$15 MILLION. GOJ OFFER IS BASED ON NET BOOK VALUE WHILE ESSO'S PRICE OF \$50 MILLION IS DEPRECIATED PRESENT VALUE. ACCORDING TO POINDEXTER, REAL QUESTION IS NOT AMOUNT,

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BUT WHETHER GOJ HAS ABILITY TO PAY CONSIDERING ITS

PRECARIOUS FINANCIAL SITUATION.
GERARD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, PETROLEUM, REFINERIES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
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Review Event:
Review Exemptions: n/a
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Margaret P. Grafeld
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TAGS: ENRG, JM, US, ESSO
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Type: TE
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